

Today's Transportation

PERFECT STORM

Load-to-Truck Ratio
is at a significant imbalance



5 : 1
across 65%
of the US

Spot Market
Demand Index
is at an all-time HIGH



61.9
vs. 23 in 2017

Carrier Operations
ELD's, Driver Shortage
Driver Pay Increases



Cost/Truck ↑
Capacity ↓

We expect tight capacity and rates
to continue to rise through
2018 and on into 2019.

HOW TO SURVIVE The Transportation Perfect Storm

12 Micro-Level Tips for Surviving the Storm

- 1 Make quick payments.

2 Consider weekend freight.

3 Gather bids and honor commitments.

4 Time management is critical.
- 5 Prioritize partners and utilize a core carrier network.

6 Ensure you have driver-friendly practices at your facilities as well as those of your suppliers and customers.
- 7 Improve velocity for drivers.

8 Understand your average daily volumes.

9 Employ automation tools.

10 Expand business with key carriers.
- 11 Publish competitive metrics and utilize carrier score cards.

12 Connect with your carriers in a meaningful way.

Focus on Dock Activity to Optimize Carrier Utilization

Opportunity	Dock Operations	Dock Facilities	Focus on what happens at the "other end" of the transaction	See your business through the eyes of the carriers
Action Steps	<p>24/7/365 Comprehensive Drop Trailer Program</p> <p>Be flexible with, and automate to the extent possible, carrier appointment times</p> <p>Extend loading dock hours—with adequate and trained personnel, expanded and staggered staffing</p>	<p>Parking Options</p> <p>Turning equipment on a timely and efficient basis</p> <p>On-Site Amenities (Rest Rooms, Cafeteria/Vending, Wi-Fi Connectivity, etc.)</p> <p>Trained personnel to load/unload trailers in timely manner AND interact with drivers on a professional basis</p>	<p>Take a representative sampling of what happens at your customers'/suppliers' docks when a carrier shows up</p> <p>Understand the requirements your customers'/suppliers place on carriers</p> <p>To the extent possible, eliminate surprises by proactively addressing "the problem child" issue</p>	<p>Use the Carrier Yield Test as a framework for constructive and transparent communication with your carriers</p> <p>Understand the basics of a carrier's Operating Ratio Worksheet</p> <p>Consider how lane management issues are affecting your carriers</p>
Outcomes	<p>Increased capacity by increasing accessibility to facilities</p>	<p>Carriers hate to wait since they get paid based on how much they drive. So increasing drive time by decreasing wait time is extremely important.</p> <p>Increased capacity, lower rates and decreased accessorial charges</p>	<p>Eliminate "carrier boycotts" a.k.a. carriers refusing to pick up/deliver freight from/to certain locations because of what happens when their drivers show up to their facilities.</p> <p>More competitive rates</p> <p>Opportunity to address issues affecting service with suppliers/customers</p>	<p>Addressing problematic cost drivers can result in more capacity and/or lower rates</p> <p>Using carriers based on lane alignment and network considerations can result in better service and lower rates</p>

